

Message Text

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FM AMEMBASSY BRASILIA
TO SECSTATE WASHDC IMMEDIATE 2744

S E C R E T SECTION 1 OF 7 BRASILIA 2704

NODIS CHEROKEE

E.O. 11652: XGDS-1
TAGS: OVIP (CARTER, JIMMY), BR
SUBJECT: DRAFT MEMORANDUM OF CONVERSATION OF SECOND BILATERAL
MEETING BETWEEN PRESIDENTS CARTER AND GEISEL,
MARCH 30, 1978, 11:15 A.M.

1. THE FOLLOWING IS A DRAFT MEMORANDUM OF CONVERSATION FOR THE SECOND BILATERAL MEETING BETWEEN PRESIDENTS CARTER AND GEISEL ON MARCH 30 AT 11:15 A.M. FOR MOST OF THE MEETING, PARTICIPANTS ON THE US SIDE IN ADDITION TO PRESIDENT CARTER WERE: SECRETARY VANCE, DR. BRZEZINSKI AND CHARGE RICHARD E. JOHNSON; THE BRAZILIAN SIDE WAS REPRESENTED BY PRESIDENT GEISEL, FOREIGN MINISTER SILVEIRA AND COUNSELOR RONALDO MOTA SARDENBERG, THE MINISTER'S SPECIAL ADVISER FOR BILATERAL POLITICAL AND ECONOMIC AFFAIRS. AFTER A DISCUSSION OF APPROXIMATELY FORTY-FIVE MINUTES, THE GROUP WAS EXPANDED WITH THE ADDITION OF ASSISTANT SECRETARY TODMAN, DIRECTOR LAKE, MR. PASTOR AND EMBASSY ECONOMIC COUNSELOR RUSER ON THE US SIDE AND FINANCE MINISTER SIMONSEN, PLANNING MINISTER VELLOSO, INDUSTRY AND COMMERCE MINISTER CALMON DE SA AND COUNSEL NOGUEIRA, A FOREIGN MINISTRY ADVISOR FOR POLITICAL AFFAIRS, ON THE BRAZILIAN SIDE.

2. THE MEETING BEGAN WITH A DISCUSSION OF BRAZIL'S AGRICULTURAL SITUATION, WITH PRESIDENT CARTER EXPRESSING THE HOPE THAT WHEN HE RETURNS TO BRASILIA HE WILL FIND THE CITY SURROUNDED BY FIELDS
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OF CORN AND SOYBEANS.

3. PRESIDENT GEISEL THEN BRIEFLY DESCRIBED BRAZIL'S EFFORTS TO DEVELOP THE "CERRADO."

4. PRESIDENT CARTER SAID THAT THE UNITED STATES WOULD LIKE TO SEE A SUB-COMMITTEE ON AGRICULTURE SET UP UNDER THE MEMORANDUM OF

UNDERSTANDING. THE UNITED STATES NEEDS BRAZIL'S HELP IN THIS SECTOR AND BRAZIL NEEDS OURS. THE SOIL IN THE BRASILIA REGION NEEDS LIME, POTASSIUM AND PHOSPHATES; BRAZIL IS DEVELOPING ANITORGEN PRODUCTION CAPABILITY. THE SOIL IS LIKE THE SOIL IN PLAINS, GEORGIA; IT IS RED BUT, POTENTIALLY, RICH.

5. PRESIDENT GEISEL SAID HUGE AREAS OF BRAZIL WERE STILL UNDER UTILIZED AGRICULTURALLY. THIS IS DUE TO A LACK OF TECHNOLOGY. LARGE AREAS HAVE IN THE PAST BEEN USED ONLY FOR CATTLE BREEDING AND HAVE HAD A LOW YIELD. THE COUNTRY'S PRESENT SITUATION REQUIRES THAT THESE LANDS BE BETTER UTILIZED. FURTHERMORE, WITH THE WORLD POPULATION INCREASING THERE IS AN EXPANDING NEED FOR FOOD. THE BASIS FOR ANY COUNTRY'S ECONOMIC DEVELOPMENT MUST BE AGRICULTURE AND LIVESTOCK. THIS IS THE WAY IT HAS BEEN IN THE UNITED STATES.

6. PRESIDENT CARTE AGREED, STATING THAT THE GREATEST RESOURCE OF THE UNITED STATES HAS BEEN ITS AGRICULTURAL PRODUCTIVITY, BUT THE RATE OF EXPANSION OF FARM PRODUCTION IS LEVELING OFF. THE UNITED STATES WELCOMES THE DEVELOPMENT OF BRAZIL'S AGRICULTURE. WE SEE IT NOT IN TERMS OF COMPETITION, BUT AS AN IMPORTANT CONTRIBUTION TO HUMANITY, TO THE WORLD'S NEEDS.

7. FOREIGN MINISTER SILVEIRA INTERJECTED THAT THE UNITED STATE IS THE ONLY COUNTRY IN THE WORLD WHICH HAS SOLVED THE PROBLEM OF AGRICULTURE; THE SOVIET UNION HAS NOT FOUND A SOLUTION.

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8. PRESIDENT CARTER SAID THAT THE UNITED STATES IS EAGER TO SHARE ITS KNOWLEDGE IN THIS SPHERE WITH BRAZIL; THE US WOULD BENEFIT FROM SUCH AN EXCHANGE.

9. PRESIDENT GEISEL EXPRESSED AGREEMENT. HE STATED THAT THE EUROPEAN COUNTRIES HAVE REACHED THEIR LIMIT AS FAR AS AGRICULTURAL EXPANSION IS CONCERNED. THEY MUST NOW CONCENTRATE

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NODIS CHEROKEE

ON INCREASING THEIR PRODUCTIVE CAPACITY THROUGH THE APPLICATION OF TECHNOLOGY. BRAZIL HAS ADOPTED THE SAME POLICY BUT HAS STATED LATE. MORE THAN HALF OF THE TILLABLE LAND IS IDLE. THE AMAZON IS A VIRTUALLY UNKNOWN AREA. BRAZIL, LIKE THE UNITED STATES, IS SOMETIMES CALLED NAMES LIKE "IMPERIALISTIC," "HEGEMONIST," BUT BRAZIL'S "IMPERIALISM" IS INTERNAL. THE BRAZILIANS ARE TRYING TO EXPLOIT THEIR OWN COUNTRY AND TO ACHIEVE FULL NATIONAL INTEGRATION.

10. MOVING ON TO ANOTHER SUBJECT, PRESIDENT CARTER ASKED WHETHER PRESIDENT GEISEL WOULD LIKE A BRIEF REPORT ON US RELATIONS WITH THE SOVIET UNION, INCLUDING THE SALT TALKS.

11. PRESIDENT GEISEL REPLIED THAT THIS IS A SUBJECT WHICH INTERESTS HIM DEEPLY. ONE OF THE MOST CRUCIAL QUESTIONS PRESENTLY FACING MANKIND IS THE EFFORT TO RENDER THE TWO VERY DIFFERENT SYSTEMS COMPATIBLE. ONE WONDERS WHETHER THIS WILL PROVE POSSIBLE. THE BRAZILIAN GOVERNMENT IS DEEPLY INTERESTED IN THE EFFORT BECAUSE BRAZIL STRONGLY SUPPORTS THE CAUSE OF DISARMAMENT AND PEACE.

12. PRESIDENT CARTER SAID THAT WHILE PUBLICLY BOTH SIDES EXPRESS CONCERN ABOUT THE STATE OF THE SALT TALKS, PRIVATELY IT SHOULD BE ACKNOWLEDGED THAT MUCH PROGRESS IS BEING MADE. IN THE NEXT FEW WEEKS, SECRETARY VANCE WILL
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GO TO MOSCOW AND GROMYKO WILL TRAVEL TO WASHINGTON. WE HOPE THAT ONCE THE FINAL STAGES OF A SOLUTION HAVE BEEN WORKED OUT AT THIS LEVEL, BRAZHNEV CAN COME TO THE UNITED STATES TO FINALIZE AN ACCORD. THIS IS OUR BASIC AIM. DAILY NEGOTIATIONS ARE RESULTING IN STEADY PROGRESS AND MOST OF THE TECHNICAL PROBLEMS HAVE BEEN RESOLVED. IN ADDITION, THE SOVIET UNION AND THE UNITED STATES, TOGETHER WITH BRITAIN, ARE WORKING ON A FIVE-YEAR BAN ON THE TESTING OF ALL NUCLEAR DEVICES. WE ARE TRYING TO ENCOURAGE OTHER COUNTRIES WITH ATOMIC WEAPONS, THE FRENCH AND THE CHINESE, TO JOIN US IN THIS MORATORIUM. GOOD PROGRESS IS BEING MADE IN OUR NEGOTIATIONS. IN ADDITION WE HAVE INITIATED CONVERSATIONS WITH THE SOVIETS ABOUT LIMITING ARMS SALES ABROAD.

WE ARE REDUCING OUR LEVEL OF ARMS SALES EVERY YEAR. PRESIDENT CARTER SAID HE HAD DISCUSSED THIS MATTER WITH PRESIDENT PEREZ IN VENEZUELA. THE UPCOMING US SPECIAL SESSION ON DISARMAMENT WILL CREATE AN OPPORTUNITY FOR FURTHER CONVERSATIONS IN THIS SPHERE WITH THE EUROPEANS AS WELL AS THE SOVIET UNION. WE ARE ALSO TALKING WITH THE SOVIETS ABOUT LIMITATIONS ON THE DEPLOYMENT OF MILITARY FORCES IN THE INDIAN OCEAN AND THE PROHIBITION OF ATTACKS ON SPACE SATELLITES. WITH REGARD TO THE SALT TALKS AS WELL AS THE TEST BAN NEGOTIATIONS, BOTH THE US AND THE SOVIET UNION ARE SATISFIED WITH THE PROGRESS ALREADY MADE, ALTHOUGH SUCCESS CANNOT BE GUARANTEED. AGAIN, THIS PROGRESS IS MUCH MORE SUBSTANTIAL THAN PUBLIC STATEMENTS WOULD SUGGEST. NOTING THAT THE PLANS FOR SECRETARY VANCE'S TRAVEL TO MOSCOW HAVE NOT AS YET BEEN ANNOUNCED, PRESIDENT CARTER ASKED THAT THE INFORMATION BE CLOSELY HELD. (FOREIGN MINISTER SILVEIRA EXPRESSED HIS FULL UNDERSTANDING.)

13. PRESIDENT GEISEL SAID THAT HE HAD HEARD THAT SECRETARY VANCE HAS HAD SEVERAL CONTACTS WITH GROMYKO ON THIS SUBJECT.
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HE IS AWARE THAT THESE NEGOTIATIONS ARE NOT EASY AND HE WISHES THE UNITED STATES EVERY SUCCESS. HE SAID HE WAS ENCOURAGED TO RECEIVE THIS INFORMATION ABOUT NEGOTIATIONS INVOLVING COUNTRIES WITH NUCLEAR DEVICES, ESPECIALLY ABOUT EFFORTS TO SUSPEND NUCLEAR TESTING AND PROHIBITING ATTACKS ON SPACE SATELLITES. THIS IS A MOST WORTHWHILE EFFORT, HE SAID, IN WHICH HUMANITY HAS A STRONG INTEREST. HE EXPRESSED HIS UNDERSTANDING OF THE REASONS WHY THE UNITED STATES HAS TESTED NUCLEAR WEAPONS. GIVEN THE PRESENT SITUATION, A UNILATERAL DECISION TO ABANDON TESTING WOULD BE AN IMPOSSIBILITY. HOWEVER, HE SAID, IT IS IN THE INTERESTS OF MANKIND FOR EVERYONE TO HALT TESTS. THE POSSIBILITY OF ATTACKS ON

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S E C R E T SECTION 3 OF 7 BRASILIA 2704

NODIS CHEROKEE

SPACE SATELLITES IS A SOURCE OF CONCERN AND OF INSECURITY IN THE WORLD. THESE NEGOTIATIONS REQUIRE HARD WORK AND GOOD WILL. THE FUTURE OF MANKIND IS AT STAKE. PRESIDENT GEISEL INQUIRED WHETHER BREZHNEV'S HEALTH WAS PRECARIOUS, WHETHER THERE MIGHT BE A CHANGE IN SOVIET LEADERSHIP SOON AND, IF SO, WHAT DIRECTION THE CHANGE WOULD TAKE.

14. PRESIDENT CARTER SAID THAT HE HAD DISCUSSED THIS MATTER RECENTLY WITH TITO OF YUGOSLAVIA. TITO REPLIED THAT HE HAD OBSERVED BRAZHNEV VERY CLOSELY AND HAD CONCLUDED THAT THE REPORTS OF HIS BAD HEALTH WERE EXAGGERATED. (FOREIGN MINISTER SILVEIRA INTERJECTED AT THIS POINT THAT TITO SHOULD BE AN EXPERT ON SURVIVAL.)

15. PRESIDENT CARTER SAID THAT THE UNITED STATES HOPES THAT BREZHNEV'S HEALTH CAN REMAIN GOOD. WE HAVE WORKED HARD TO ACHIEVE A COMPREHENSIVE UNDERSTANDING WITH HIM AND WOULD HOPE NOT TO SEE NEW LEADERSHIP EMERGE IN THE USSR JUST NOW. THE PRESIDENT SAID THAT HE EXCHANGES PRIVATE LETTERS WITH BRAZHNEV FAIRLY FREQUENTLY, IN WHICH VIEWS ARE OPENLY AND FRANKLY EXPRESSED. AS A RESULT THEY KNOW EACH OTHER QUITE WELL. BRAZHNEV HAS A STANDING INVITATION TO VISIT THE UNITED STATES, IT BEING THE SOVIET UNION'S TURN TO VISIT US. BREZHNEV HAS NOT YET ACCEPTED THIS INVITATION QUITE LIKELY BECAUSE HE WANTS TO SEE A FIRM AGREEMENT IN THE OFFING BEFORE

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HE COMMITS HIMSELF TO TRAVEL.

16. PRESIDENT GEISEL COMMENTED THAT THIS INFORMATION WAS VERY ENCOURAGING.

17. CHANGING THE SUBJECT, PRESIDENT CARTER STATED THAT HE HAD ENJOYED HIS PRESS CONFERENCE EARLIER THAT MORNING. QUESTIONS AROSE ON BOTH NUCLEAR MATTERS AND HUMAN RIGHTS. THESE WERE ANSWERED TRUTHFULLY AND HONESTLY WITH AN ACKNOWLEDGEMENT THAT THERE WERE CERTAIN DIFFICULTIES IN THESE AREAS AND THAT THEY HAD BEEN DISCUSSED WITH THE BRAZILIAN GOVERNMENT. HE POINTED OUT TO THE PRESS THAT WE ARE INTERESTED IN DISCUSSING THESE MATTERS WITH THE BRAZILIAN GOVERNMENT, ADDING THAT THE DIFFERENCES ARE MINOR IN COMPARISON WITH AREAS OF BILATERAL AGREEMENT.

18. PRESIDENT GEISEL SAID THAT THESE TWO SUBJECTS COULD NOT HAVE BEEN AVOIDED. HAD BE BEEN A JOURNALIST, THEY WOULD HAVE FIGURED IN HIS LINE OF ATTACK AS WELL. OBVIOUSLY PRESIDENT CARTER HAS AN OBLIGATION TO REPLY TRUTHFULLY WITH AN EXPLANATION OF HIS VIEWS. IT WOULD BE ABSURD WERE HE TO FEEL EMBARRASSED IN RESPONDING. OUR DIFFERENCES ARE NATURAL AND ARE NOT AS GREAT AS IS OFTEN STATED.

19. PRESIDENT CARTER SAID HE HAD TWO QUESTIONS TO RAISE CONCERNING THE NUCLEAR QUESTION. BRAZIL, HE SAID, HAS SIGNED AND RATIFIED THE TREATY OF TLATELOLCO BUT WILL NOT RECOGNIZE ITS APPLICABILITY UNTIL ALL NATIONS SIGN THE TREATY. THIS WOULD INCLUDE NATIONS WHICH WILL NEVER SIGN, LIKE FRANCE AND THE SOVIET UNION, PERHAPS ALSO CUBA (UNDER SOVIET PRESSURE). GISCARD D'ESTAING HAS SAID HE HAS NO PARTICULAR OBJECTIONS TO TLATELOLCO, BUT HE HAS DOUBTS AS TO THE DESIRABILITY OF FRANCE TAKING PART IN THESE WESTERN HEMISPHERE ARRANGEMENTS. PRESIDENT
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CARTER AKED WHETHER, IF ARGENTINA SIGNS AND THE LIST OF CENTRAL AND SOUTH AMERICAN SIGNATORIES IS THEREBY COMPLETED, BRAZIL WOULD (#) AGREE TO IMPLEMENT THE ACCORD?

20. PRESIDENT GEISEL REPLIED THAT THIS QUESTION WOULD REQUIRE FURTHER STUDY. ARGENTINA DOES NOT CAUSE MAJOR CONCERN FOR BRAZIL, HE SAID. HOWEVER, BRAZIL FEELS THAT COUNTRIES LIKE FRANCE AND THE USSR, WHICH HAVE NUCLEAR WEAPONS, SHOULD MAKE A COMMITMENT PERTAINING TO THE NON-USE OF THESE WEAPONS IN THE WESTERN HEMISPHERE. THEY SHOULD UNDERTAKE TO FIGHT THEIR WARS ELSEWHERE, NOT IN SOUTH AMERICA, AND TO REFRAIN FROM STOCKPILING THEIR NUCLEAR WEAPONS HERE. BRAZIL WISHES THAT THE RUSSIANS, FRENCH AND CHINESE WOULD ALSO SIGN TLATELOLCO. PRESIDENT GEISEL SAID

NOTE BY OC/T: BRASILIA 2704, SECTION 3 OF 7 PARA. 19 #OMISSION, CORRECTION TO FOLLOW.

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S E C R E T SECTION 4 OF 7 BRASILIA 2704

NODIS CHEROKEE

THAT THE AMBASSADOR OF THE SOVIET UNION, A COUNTRY WITH WHICH BRAZIL HAS FAIR RELATIONS, ESPECIALLY IN THE TRADE SPHERE, CAME TO HIM WITH A NOTE CRITICAL OF BRAZIL'S ACCORD WITH THE FEDERAL REPUBLIC OF GERMANY. PRESIDENT GEISEL SAID THAT HE HAD TO BE A BIT RUDE IN HIS REPLY. HE TOLD THE SOVIET AMBASSADOR THAT HE HAD NO RIGHT TO BRING THIS MATTER UP IN HIS DEALINGS WITH BRAZIL, IN THE ABSENCE OF SOVIET ACCEPTANCE OF TLATELOLCO OBLIGATIONS.

21. FOREIGN MINISTER SIVLEIRA SAID THERE WERE THREE PHASES IN THE IMPLEMENTATION OF THE TREATY OF TLATELOLCO -- THE SIGNING THE RATIFICATION AND FINALLY THE ACCEPTANCE OF THE TREATY BY THE NUCLEAR POWERS. BRAZIL BELIEVES THAT WITH THE SIGNING OF TLATELOLCO IT HAS COMMITTED ITSELF NOT TO MANUFACTURE NUCLEAR WEAPONS. UNDER THE GENEVA CONVENTION ON TREATIES, IF A COUNTRY HAS SIGNED AN AGREEMENT, IT IS BINDING EVEN THOUGH IT MAY NOT HAVE BEEN FULLY RATIFIED, AND THAT COUNTRY MUST COMPLY WITH THE AGREEMENT'S TERMS PENDING RATIFICATION. BRAZIL FEELS THAT IT MUST CONTINUE TO WORK FOR A BAN ON NUCLEAR ATTACKS ON THIS CONTINENT AND ON THE STORAGE OF NUCLEAR WEAPONS HERE; BRAZIL DOES NOT WISH TO ABANDON THE PRESSURE ON THIS POINT. THIS FIRM BRAZILIAN POLICY OF SEEKING GUARANTEES FROM THE SOVIET UNION AND OTHER COUNTRIES WAS ADOPTED AFTER THE CUBAN MISSILE CRISIS, WHEN PRESIDENT KENNEDY SUCCESSFULLY PUSHED FOR THE EVACUATION
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OF MISSILES FROM CUBA BRAZIL CAME OUT FIRMLY IN FAVOR OF ASSURANCES AGAINST THE ESTABLISHMENT IN THE WESTERN HEMISPHERE OF BASES FOR THE STORAGE OF ARMS. PRESIDENT KENNEDY'S SUCCESSFUL HANDLING OF THE CUBAN MISSILE CRISIS MARKED THE BEGINNING OF A DECREASE IN THE PRESSURE WHICH CUBA EXERTED OVER LATIN AMERICAN NATIONS. BRAZIL IS TOTALLY COMMITTED AT PRESENT NOT TO MANUFACTURE NUCLEAR WEAPONS. THE AGREEMENT WITH THE FEDERAL REPUBLIC OF GERMANY PROVIDES THAT NO NUCLEAR DEVICES WILL BE MANUFACTURED EVEN FOR PEACEFUL USES. THE MANUFACTURE OF NUCLEAR EXPLOSIVES EVEN FOR PEACEFUL USES IS FOR BRAZIL IN THE REALM OF FANTASY, AND BRAZIL IS NOT INTERESTED IN FANTASY.

22. PRESIDENT CARTER NOTED THAT BRAZIL HAS ACCEPTED IAEA SAFEGUARDS ON INSTALLATIONS PURCHASED FROM THE FEDERAL REPUBLIC OF GERMANY. HE ASKED WHETHER THIS APPLIES TO OTHER INSTALLATIONS.

23. PRESIDENT GEISEL SAID THAT THERE ARE NO UNSAFEGUARDED FACILITIES IN BRAZIL. THIS INCLUDES THE FACILITIES AT UNIVERSITIES WHERE RESEARCH IS UNDERWAY. SUCH FACILITIES ARE UNDER INTERNATIONAL CONTROLS. THE SCIENTIFIC COMMUNITY IN BRAZIL HAD HOPED THAT BRAZIL'S FAILURE TO RATIFY MIGHT MEAN THAT THEIR RESEARCH WOULD NOT BE UNDER INTERNATIONAL CONTROL, BUT WAS DISAPPOINTED TO LEARN THAT THIS WAS NOT TO BE THE CASE. PRESIDENT GEISEL REITERATED THAT BRAZIL'S RESEARCH CENTERS ARE UNDER VIENNA SAFEGUARDS, AS WELL AS ANYTHING CONSTRUCTED UNDER THE AGREEMENT WITH THE FRG. BRAZIL FEELS THAT THE IAEA SHOULD BE STRENGTHENED AND POSSIBLY REORGANIZED TO PERMIT IT TO CONDUCT ITS ACTIVITIES IN BRAZIL AND THROUGHOUT THE WORLD. AS A UN AGENCY, IT SHOULD BE IN A POSITION TO USE ANY NECESSARY RESOURCES TO FULFILL ITS PURPOSES.

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24. PRESIDENT CARTER SAID THAT WHEN HIS ADMINISTRATION BEGAN THERE WAS NO SYSTEMATIC FORMULATION FOR CONSIDERING REQUESTS FOR THE SUPPLY OF NUCLEAR FUEL ABROAD. US POLICY IN THIS RESPECT WAS VARIABLE. THERE IS NOW IN EXISTENCE WITHIN THE USG AN ENTITY RESPONSIBLE FOR SUCH ALLOCATIONS. PRESIDENT CARTER NOTED THAT HE CANNOT CONTROL THESE ALLOCATIONS ALTHOUGH HE CAN EXERCISE A VETO POWER. WE HAVE RECENTLY PASSED A LAW WHICH CLARIFIES THE CIRCUMSTANCES UNDER WHICH THE US WILL SHIP NUCLEAR FUEL IN THE FUTURE. IT IS IMPORTANT THAT AMBASSADOR SMITH RETURN TO BRAZIL AND MEET WITH THE BRAZILIAN AUTHORITIES IN ORDER THAT THERE CAN BE

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NODIS CHEROKEE

A CLEAR UNDERSTANDING BY BOTH SIDES OF THE TERMS OF THIS LEGISLATION, AND SO THAT BRAZIL'S FUTURE NEEDS FOR NUCLEAR FUEL CAN BE MET, CONSISTENT WITH US LAW. THIS LAW MAKES US TERMS CLEARER AND WILL HELP AVOID FUTURE INTERRUPTIONS IN SUPPLY.

25. PRESIDENT GEISEL SAID THAT HE HAD NOT AS YET EXAMINED THE COMPLETE TEXT OF THE LAW, BUT HAD READ ABOUT CERTAIN OF ITS PROVISIONS. HE IS AWARE THAT IT CALLS FOR THE RENEGOTIATION OF EXISTING ACCORDS WITH REGARD TO THE SUPPLY OF NUCLEAR FUEL. BRAZIL HAS A 1972 AGREEMENT WITH THE UNITED STATES IN THIS SPHERE. THE ANGRA I NUCLEAR POWER FACILITY IS UNDER CONSTRUCTION, WITH WESTINGHOUSE CONTRIBUTING. THE US HAS AGREED TO FURNISH ENRICHED FUEL FOR THE STARTUP AS WELL AS FOR RE-LOADING FOR A THIRTY-YEAR PERIOD. PRESIDENT GEISEL SAID THAT HE HAD HEARD THAT THE US HAS RECENTLY REAFFIRMED ITS COMMITMENT TO FURNISH THE STARTUP FUEL; HE HAD EXPECTED NOTHING LESS OF US, BUT WAS NEVERTHELESS PLEASED WITH THIS REAFFIRMATION. BRAZIL IS, HOWEVER, CONCERNED ABOUT SUBSEQUENT SHIPMENTS FOR RE-LOADING OVER THE THIRTY-YEAR PERIOD, AND WOULD BE HAPPY TO RECEIVE AMBASSADOR SMITH TO DISCUSS THIS QUESTION AND EXAMINE THE IMPLICATIONS OF THE NEW LEGISLATION. PRESIDENT GEISEL EXPRESSED CONFIDENCE THAT NO PROBLEMS WOULD EMERGE.

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26. FOREIGN MINISTER SILVEIRA SAID THAT THERE WERE NO ACTIVITIES IN BRAZIL NOT SUBJECT TO SAFEGUARDS. THIS IS A CONCRETE FACT; THIS SITUATION WILL CONTINUE TO PREVAIL UNLESS THERE IS A CHANGE IN THE STATUS QUO.

27. PRESIDENT CARTER NOTED THAT BRAZIL HAS RECENTLY SIGNED AN AGREEMENT WITH THE FRG TO EXCHANGE TECHNICAL INFORMATION CONCERNING THE THORIUM FUEL CYCLE. THE UNITED STATES WELCOMES THIS ACTION. OUR OFFER ALSO REMAINS OPEN. THE US HAS THORIUM AND HAS HAD EXTENSIVE EXPERIENCE IN THIS AREA. OUR ONLY BREEDER REACTOR IS BASED ON THORIUM. IF THE GERMAN AGREEMENT TURNS OUT TO BE INADEQUATE OR IF BRAZIL FEELS THE NEED FOR MORE CONSULTATIONS ON THE THORIUM FUEL CYCLE, WE WILL BE GLAD TO COOPERATE. THE US BELIEVES

THAT THE INFCE STUDIES REPRESENT A GOOD MEANS OF LEARNING FROM ONE ANOTHER. THERE ARE CERTAIN UNPREDICTABILITIES IN THE NUCLEAR SPHERE WHICH NEED TO BE RESOLVED. THE INFCE STUDIES DO NOT HAVE AS THEIR OBJECTIVE PERSUADING COUNTRIES TO TAKE ACTION WHICH IS AGAINST THEIR OWN INTERESTS, BUT RATHER ARE DESIGNED TO HELP INTERESTED NATIONS WORK TOGETHER.

28. PRESIDENT GEISEL RESPONDED THAT BRAZIL IS VERY ACTIVE IN INFCE AND IS PLEASED TO BE INVOLVED IN THIS KIND OF COOPERATIVE EFFORT. THORUM COOPERATION WITH THE FRG IS NOT A NEW DEVELOPMENT, BUT RATHER HAS BEEN UNDERWAY FOR SOME TIME (FOREIGN MINISTER SILVEIRA INTERJECTED AT THIS POINT THAT IT BEGAN IN 1979). PRESIDENT GEISEL OBSERVED THAT THE UNITED STATES IS WORKING ALONG THE SAME LINES AND THAT BRAZIL WANTED TO COOPERATE IN AN EFFORT IN WHICH ALL HAVE AN INTEREST.

29. PRESIDENT CARTER AGREED, STATING THAT THIS IS ONE MORE APPROACH TO A SOLUTION OF THE ENERGY PROBLEM, AN EXCRUIAT-
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INGLY DIFFICULT MATTER FOR ALL OF US.

30. PRESIDENT GEISEL SAID HE IS HAPPY ABOUT THE US INITIATIVE ON THE BILATERAL EXAMINATION OF PROBLEMS IN AREAS INVOLVING OTHER KINDS OF FUEL. BRAZIL IS SEEKING TO DEVELOP ALCOHOL AS A SOURCE OF ENERGY, A NATURAL DIRECTION FOR BRAZILIAN EFFORTS SINCE THE COUNTRY HAS LARGE LAND RESERVES. BRAZIL HAS FOUND NEW AND HIGHER GRADES OF COAL DEPOSITS IN THE SOUTH, AND THE US OFFER TO COOPERATE IN COAL RESEARCH AND DEVELOPMENT IS MOST WELCOME. PRESIDENT GEISEL SAID HE WAS EXTREMELY HAPPY OVER THE PROSPECT OF JOINT EFFORTS TO COOPERATE IN RESOLVING THE ENERGY PROBLEM AND TO IMPROVE THE OUTLOOK, IN THE FACE OF THE INEVITABLE EVENTUAL EXHAUSTION OF OIL RESERVES.

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NODIS CHEROKEE

31. FOREIGN MINISTER SILVEIRA SAID HE HAD SEEN AN INTEREST-
ING REPORT YESTERDAY WHICH HE HAD NOT HET PASSED ON TO
PRESIDENT GEISEL CONCERNING RESEARCH ON THE USE OF DIFFERENCES
IN SEA LAYER TEMPERATURES TO MAKE AMMONIA. HE SAID HE HOPED
TO HAVE A CHANCE TO STUDY THIS REPORT.

32. PRESIDENT CARTER SAID THAT IN BETWEEN VISITS, WHICH
HE HOPED WOULD BE FREQUENT, HE WOULD LIKE TO COMMUNICATE
WITH PPRSIDENT GEISEL DIRECTLY CONCERNING SUCH MATTERS AS
THE MIDDLE EAST, US POLICY TOWARD OTHER COUNTRIES SUCH AS
THE SOVIET UNION, OR PROBLEMS ARISING IN OUR OWN NATIONS.
PRESIDENT CARTER ASSURED PRESIDENT GEISEL THAT A LETTER FROM
HIM WOULD GET AN INSTANT REPLY, AND REMARKED THAT THIS KIND
OF CORRESPONDENCE WOULD HELP HIM IN THE DECISION-MAKING
PROCESS. HE ENVISAGED THESE EXCHANGES TAKING PLACE NORMALLY
AND ROUTINELY, RATHER THAN AS CRISES DEVELOP. AS ISSUES
ARISE IN OUR RELATIONSHIP, THEY COULD BE MORE EASILY RESOLVED
IN THIS FASHION.

33. PRESIDENT GEISEL NOTED THAT HE AND PRESIDENT CARTER
HAVE ALREADY EXCHANGED LETTERS; THEY MAY HAVE BEEN A BIT
FORMAL, HE SAID, BUT THEY WERE IN ANY CASE LETTERS. FOLLOW-
ING THE PRESENT VISIT, PERHAPS THE EXCHANGE CAN CONTINUE
(WITH MORE INTIMACY AND LESS FORMALITY), WITHOUT GETTING THE
RESPECTIVE FOREIGN MINISTERS JEALOUS. PRESIDENT GEISEL SAID
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HE INTENDED AS THE NEED AROSE TO WRITE FREQUENTLY AND FRANKLY
CONCERNING PROBLEMS IN OUR BILATERAL RELATIONSHIP. EFFICIENT
AS OUR FOREIGN MINISTERIES ARE, HE SAID, THIS KIND OF CONTACT
CAN BE EXTREMELY EFFECTIVE.

34. AT THIS POINT THE MEETING WAS EXPANDED AS NOTED ABOVE,
AND MOVED TO PRESIDENT GEISEL'S CONFERENCE ROOM.

35. OPENING THE EXPANDED MEETING THERE, PRESIDENT GEISEL
SAID THE AGENDA HAD FORESEEN THIS MEETING OF THE TWO
PRESIDENTS IN THE PRESENCE OF THE PRINCIPAL ADVISORS.
HE AND PRESIDENT CARTER HAD ALREADY TALKED YESTERDAY AND
TODAY ABOUT MANY ISSUES; PERHAPS THERE WAS NOT MUCH LEFT
TO DICUSS AT THIS TIME. HE AND HIS MINISTERS WERE AVAILABLE

TO TALK ON ANY SUBJECT PRESIDENT CARTER WISHED TO RAISE.

36. PRESIDENT CARTER SAID THE OVERRIDING IMPRESSION THAT REMAINED WITH HIM WAS THAT OF A DELIGHTFUL AND VERY PRODUCTIVE VISIT. IT HAD BEEN ALL TOO BRIEF. PRESIDENT GEISEL AND HE HAD BEEN ABLE TO TALK VERY FULLY ABOUT A GREAT MANY THINGS INCLUDING THE MIDDLE EAST, THE SOVIET UNION, AND SALT NEGOTIATIONS. AN IMPORTANT QUESTION OF MUTUAL INTEREST RELATED TO THE MIDDLE EAST WAS THAT OF OIL. IN ADDITION TO THE ENERGY PROBLEM, THERE WAS BRAZIL'S GREAT AGRICULTURAL POTENTIAL AND THE COMMON INTERESTS OF THE COUNTRIES FLOWING FROM THAT FACT. PRESIDENT CARTER NOTED THAT HE AND PRESIDENT GEISEL HAD ALSO ADDRESSED THE QUESTION OF NUCLEAR ENERGY AND NUCLEAR FUEL SUPPLY, AND THAT THEY HAD A SHARED COMMITMENT TO NON-PROLIFERATION. IN THEIR DISCUSSIONS ABOUT THE INTERNATIONAL ECONOMIC ORDER, THEY EXAMINED ECONOMIC AND TRADE MATTERS AND EXCHANGED THEIR PERSONAL KNOWLEDGE IN THAT AREA. PRESIDENT CARTER SAID HE BELIEVED THE FRIENDSHIP BETWEEN THE TWO COUNTRIES HAD BEEN REINFORCED BY THE VISIT.

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IN THE FUTURE, EITHER SIDE WOULD BE ABLE TO COMMUNICATE WITH THE OTHER, FREELY AND WITHOUT CONSTRAINT, WITHOUT A SENSE OF CRISIS. WHEN PROBLEMS AROSE, THE TWO GOVERNMENTS WOULD BE ABLE TO CONSULT FULLY AND COMPLETELY. HE SAID HE WISHED TO EXPRESS HIS GREAT APPRECIATION FOR THE SUPPORT, WARMTH AND FRIENDSHIP HE HAD RECEIVED DURING HIS STAY IN BRASILIA. HOSPITALITY HAD BEEN SUPERB; HE WOULD REMEMBER HIS VISIT WITH PLEASURE AND GRATITUDE.

27. PRESIDENT GEISEL REPLIED THERE WAS NOT MUCH HE COULD ADD TO WHAT THE PRESIDENT HAD SAID. HE HAD THE FEELING THAT HE AND HIS ADVISORS WERE PERHAPS KEEPING THE PRESIDENT AND HIS PARTY FROM COMMENCING THEIR VISIT TO RIO, AND FROM THE OPPORTUNITY OF A BRIEF REST. IT HAD BEEN A GREAT

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PLEASURE FOR HIM TO RECEIVE THE PRESIDENT AND HIS PARTY. THE VISIT HAD BEEN IMPORTANT; HE WOULD LIKE TO EXPRESS HIS SATISFACTION WITH ITS RESULTS. NOT ONLY HAD IT PROVIDED THE POSSIBILITY FOR PERSONAL CONTACT -- SUCH CONTACT IS ALWAYS BETTER THAN MORE FORMAL CHANNELS OF COMMUNICATIONS -- BUT IT ALSO AFFORDED THE OPPORTUNITY FOR DISCUSSION OF IMPORTANT ISSUES; MATTERS WITH REGARD TO WHICH THE UNITED STATES AND BRAZIL SHARED INTERESTS IN COMMON, AND ISSUES ON WHICH THE TWO COUNTRIES DIVERGED. IT HAD BEEN A USEFUL VISIT WHICH HAD STRENGTHENED RELATIONS BETWEEN THE TWO COUNTRIES, AND ENABLES BRAZIL AND THE UNITED STATES TO BETTER FACE THE FUTURE. THE OUTLOOK FOR RELATIONS BETWEEN THE TWO COUNTRIES IS EXCEEDINGLY FAVORABLE. PRESIDENT GEISEL SAID HE WAS WORRY THE VISIT HAD BEEN SO SHORT. DESPITE THIS, IT HAD PRODUCED EXCELLENT RESULTS; IT HAD BEEN VERY USEFUL TO HIM PERSONALLY AS WELL AS TO HIS GOVERNMENT. HE WISHED THE PRESIDENT AND HIS PARTY A PLEASANT STAY IN RIO DE JANEIRO AND THANKED HIM FOR COMING TO BRAZIL. JOHNSON

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